

# Massive job cuts at Opel and Vauxhall

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The management board, works council and IG Metall union have agreed on a drastic reduction in staff and labour costs at Opel in a drive to make the company more profitable as is clear from a comprehensive agreement they presented on 15 December.

The first victims of the deal are temporary workers, who face being thrown out of their jobs. Contracts with several service companies are also being terminated. Older workers are being forced out through early retirement and partial retirement, while those left are likely to face a significant loss in income because of extensive short-time working and shorter working hours.

The management board and works council did not detail the exact number of job cuts and the extent of short-time working. Already in November, however, numbers circulated to the effect that 4,500 of the 19,000 Opel jobs in Germany were to go.

The deal, cynically referred to as a “social agreement”, marks the beginning of the implementation of the “Pace” restructuring plan agreed by the works council and IG Metall with the French PSA group, following the takeover of Opel and Vauxhall by General Motors in October.

The job cuts at Opel and Vauxhall coincide with a wave of sackings throughout the metal working and engineering sector. They come as corporations such as Siemens, Bombardier and General Electric are announcing new mass layoffs.

IG Metall and their works council representatives have highly praised PSA boss Carlos Tavares because he has not imposed compulsory redundancies and closed any factories. This also applies to the recent agreement. However, the WSWS has warned right from the start that “Pace” will “see massive job losses and greatly increase the pressure on the workforce.” This is now being confirmed.

The exact wording and content of the agreement have

not been published yet, but some benchmarks are already known. For example, permanent staff who currently work 40 hours per week and receive an additional payment will be downgraded to a 35-hour week from April 1, 2018, which for many represents a loss of income.

For many older workers there are early retirement models. Opel CEO Michael Lohscheller has announced that he will “discuss further measures such as early retirement schemes or innovative working time models” with our social partners. These programmes are to be extended to those born in 1960.

In addition, phased short-time working will considerably reduce workers’ income. On December 11, a month of short-time working began in Eisenach; December 8 was the last working day of the year. The Rüsselsheim headquarters and the Kaiserslautern engine plant, which supplies Rüsselsheim with parts, are currently negotiating short-time working.

Salaried employees and engineers in the Research and Development Centre Rüsselsheim are particularly affected by the cost savings measures. Many of the 7,700 jobs are at risk, and short-time working will definitely be introduced there.

At a factory meeting on December 15, works council chairman Wolfgang Schäfer-Klug and Opel CEO Michael Lohscheller explained their “big electric offensive”. According to this, the Opel and Vauxhall plants are to be rapidly converted to producing electric cars; by 2024, all car models will be e-cars or hybrids.

This will bring massive job cuts, as electric motors are much easier to manufacture than diesel and gasoline engines. Within a short time all Opel models will also be placed on just two PSA platforms and the number of engines is to be reduced from ten to four PSA engines and employ only PSA technology.

The same day, in an interview with *Manager* magazine, PSA boss Tavares described Opel and

Vauxhall as a “restructuring case”. Due to the high CO2 emissions of the Opel models, the situation in the group was “dramatic.”

Regarding the future of the International Development Centre in Rüsselsheim, he said that it was down to the Opel engineers themselves as to how many of them would be needed in future. “If we rigorously implement our plan, there will be plenty of work. If not, we all have massive problems, of course.”

Despite the threat of massive cuts, the works council representatives and IG Metall continue to collaborate closely with the PSA board, taking on the task of helping to implement the job and pay cuts as smoothly as possible and stifling any resistance to them.

The IG Metall negotiating team also includes Berthold Huber, who headed the union from 2007 to 2013 and made a decisive contribution to transforming it into a branch of management for the corporations. Huber celebrated his 60th birthday in 2010 at the Chancellery at the invitation of Angela Merkel.

The IG Metall and works council representatives are seeking to sell the Opel restructuring programme with half-truths and lies. They describe partial retirement as “attractive” and celebrate the temporary lack of redundancies and plant closures as a success. In fact, these are hollow promises that will last for a few months at the most. The Vauxhall plant at Ellesmere Port near Liverpool and the Opel Eisenach plant continue to be in acute danger.



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